



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Tuesday, May 13, 2003

## Grassley Requests Investigation of Milk Protein Imports

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today sent a letter to the U.S. International Trade Commission (ITC) requesting an investigation of U.S. market conditions for milk proteins, including milk protein concentrates (MPCs).

MPCs are a dairy product consisting of at least 40 percent protein. MPCs are not manufactured in the United States. Imported MPCs displace domestic nonfat dry milk in sports shakes, coffee creamers, bakery products, and some cheese products.

“Dairy farmers believe that imports are contributing to pressure on milk prices,” Grassley said. “Asking the International Trade Commission to investigate is an important first step to resolving the issue.”

Under Section 332 of the Tariff Act of 1930, the Finance Committee can request investigations into trade and tariff matters. In conducting a Section 332 study, the ITC has broad authority to investigate issues pertaining to foreign competition with domestic industries, the customs laws of the United States, and international trade relations.

The text of Grassley’s letter follows.

May 13, 2003

The Honorable Deanna Tanner Okun  
Chairman  
U.S. International Trade Commission  
500 E Street, S.W.  
Washington, DC 20436

Dear Chairman Okun:

I am writing to request that the U.S. International Trade Commission (ITC) conduct an investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) regarding U.S. market conditions for milk proteins.

The investigation should examine the competitiveness of a variety of milk proteins in the U.S. market, focusing on milk protein concentrate, casein, and caseinate and the market for those products compared with other milk proteins, including whole milk, skim milk, dried whole milk, dried skim milk, whey, dried whey, and whey protein concentrates. The report should focus on the period 1998-2002.

To the extent possible, the report should include the following:

- an overview of the global market for milk proteins in their various forms, including such factors as consumption, production, and trade during the period 1998-2002;
- profiles of the milk protein industries of the United States and major dairy exporting countries, and in particular, the industries of Australia, New Zealand, and the European Union;
- information on the overall level of government support and other government intervention affecting producers of milk proteins in the United States and in each of the above-referenced trading partners together with a discussion of competitive factors, including government policies, that impact U.S. production, use, and trade in milk protein products in their various forms;
- information on U.S. imports and exports of milk protein in its various forms with data broken down, to the extent possible, by protein content, end use, and manufacturing processes;
- a history of U.S. tariff classification of milk proteins and tariff treatment of these products, including any fees or quotas imposed under section 22 of the Agricultural Adjustment Act, tariff rate quotas established pursuant to the Uruguay Round Agreements, and U.S. Customs Service classification decisions;
- a qualitative and, to the extent possible, quantitative assessment of how imported milk proteins affect farm level milk prices in the United States; and,
- other information relating to competitive factors affecting: (1) the U.S. industry that imports and consumes milk proteins; (2) the U.S. industry that supplies competitive products, and (3) the competitive factors, including government policies, that impact potential U.S. production of milk proteins in their various forms.

The Commission should provide its completed report no later than twelve months from the receipt of this request. As we intend to make the report available to the public, we request that it not contain confidential business information.

Sincerely,

Charles E. Grassley  
Chairman

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